

NEWS

from

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EXPENDITURES BY CANDIDATE CAMPAIGN COMMITTEES

Wisconsin law restricts the use of campaign funds. Money in a candidate's campaign account may be spent for political purposes only. The State Elections Board has not expanded on the definition of political purpose with specific examples in the form of an administrative rule. These general guidelines have been developed by the Elections Board staff and reviewed by the Board. The candidate is responsible for ensuring that campaign finances are spent for political purposes and not for personal or governmental purposes.

PERMISSIBLE EXPENDITURES

- **BANQUET TICKETS.**

Candidate committees may purchase banquet tickets from charities and other civic organizations. Presence at the banquet increases the public visibility of a candidate and, therefore, meets the political purpose test. Purchase of a banquet ticket for a spouse and/or campaign staff also is permissible. However, the purchase of banquet tickets for capitol office staff and constituents is not allowed.

- **ADVERTISEMENTS IN PUBLICATIONS.**

Purchases of ads in publications of charitable and civic organizations, yearbooks, school papers, etc., are allowable expenditures. They serve to increase public visibility for the candidate and, therefore, meet the general test for political purpose.

- **PAYMENT OF AUTO EXPENSES.**

One of the following three options may be selected for the payment of auto expenses:

1. The campaign committee may reimburse the candidate and campaign workers for auto expenses up to the amount allowed by the IRS for mileage in that year (34.5 cents per mile in 2001), plus tolls and parking. Any extraordinary maintenance or repairs is determined on a case-by-case basis.
2. The campaign committee may reimburse the candidate and campaign workers for gas, oil and normal maintenance for cars used on campaign business. Any questions about what constitutes normal maintenance are decided on a case-by-case basis.
3. The campaign committee may purchase, lease or rent a car for the exclusive use of the campaign and pay all costs.

- **EXPENSES FOR OUT-OF-STATE CONFERENCES ON POLITICAL ISSUES.**

Campaign committees may use their funds to send the candidate to out-of-state conferences on general political issues. Expenses for campaign staff and spouses would not be allowable.

- **PURCHASE OF ITEMS TO BE USED AS AWARDS OR PREMIUMS.**

Items given as awards or in recognition of accomplishments, where current officeholders at a public event present them, may be purchased with campaign committee funds. Other such permissible items include the purchase of American flags flown over the State Capitol, when given to schools.

- **PURCHASE OF SMALL ITEMS TO BE HANDED OUT TO CONSTITUENTS.**

The purchase of small items, such as pens, balloons, seeds and refreshments at campaign headquarters, are allowed. The general rule is that these items should not have a utility, independent of any campaign message, valued at more than \$1.

- **LEASE OF A PERSONAL COMPUTER OR OTHER CAPITAL ASSET BY A CAMPAIGN.**

A capital asset, such as a computer, purchased and owned by an individual for personal use, may be leased to the campaign. Any rent or reimbursement paid by the campaign shall be at market rate and the terms of the lease shall be in writing. See EIBd 1.75, Wis. Adm. Code for further guidance.

IMPERMISSIBLE EXPENDITURES

- **DONATIONS AND CONTRIBUTIONS TO CHARITIES.**

Donations or contributions to charities do not meet the definition of political purpose. No matter how worthy the cause, a candidate may not use money raised for political purposes for donations to charities or other non-profit organizations. If the candidate receives some type of public recognition for the donation, then a case can be made that this recognition meets the political purpose test. Union strike funds are considered the same as charities for this purpose.

A committee may donate residual funds to a charitable organization upon termination of the committee. Also, a committee may dispose of anonymous contributions exceeding \$10, excess contributions over the limits, and corporate contributions, by donating the amounts to a charitable organization or the common school fund.

- **GIFTS TO CONSTITUENTS FOR PRIVATE EVENTS OR CELEBRATIONS.**

Campaign funds may not be used for such things as wedding or graduation gifts, nor for funeral memorials or flowers for constituents. In the case of funeral memorials, if the constituent was a member of the campaign committee or an active volunteer, then a case can be made that this is an allowable expenditure. However, short of clear identification of campaign committee membership, funeral memorials are not allowed.

- **MEMBERSHIP DUES TO PROFESSIONAL ORGANIZATIONS.**

Dues to organizations, such as bar or professional associations or societies, where membership is restricted on the basis of professional credentials, are not allowed. Examples of dues allowed may include payments to civic organizations with a general membership, ethnic organizations, and community-based religious organizations.

- **EXPENSES FOR CAPITOL OFFICE STAFF.**

Campaign funds may not be used for expenses for capitol office staff, such as lunch for Secretary's Day. Gifts of this nature, or other expenses related specifically to capitol office staff, do not fall under the definition of political purpose. However, if the staff is taken to lunch in recognition for services rendered as volunteers, outside of regular office hours in order to help out in the campaign, then this is an acceptable use of campaign funds.

▪ **DIVIDING THE EXPENSES OF LEGISLATIVE NEWSLETTERS BETWEEN A LEGISLATOR'S OFFICE ACCOUNT AND CAMPAIGN COMMITTEE.**

A legislator may not use any part of his/her state allowance for political purposes. Similarly, campaign funds may not be used for legislative purposes. Therefore, when the initial cost of preparing and distributing a newsletter is paid in any part by the use of state money, it is considered non-political. As a result, campaign committee funds may not be used to pay any part of these initial costs.

Campaign committee funds may be used for printing copies of office newsletters provided that a campaign committee attribution statement (disclaimer) is printed on the copies.

▪ **CAMPAIGN COMMITTEE FUNDS MAY NOT BE USED TO SUPPLEMENT CAPITOL OFFICE ACCOUNTS.**

If a legislator overspends his/her Capitol office account, campaign committee funds may not be used to reimburse the excess amount. Capitol office accounts are for the conduct of state business and, therefore, do not meet the political purpose test. Campaign finance regulations require a distinction between official duties of officeholders and campaign activity. Mixing the two accounts is not permissible under those statutes.

▪ **PURCHASE OF CLOTHING FOR THE CAMPAIGN.**

The purchase of clothing for the campaign generally is not allowed. However, the replacement of damaged or lost items directly attributable to campaign activity is permissible. Dry cleaning bills are not allowed except under special circumstances (soiled clothing during a campaign event).

▪ **THE SPECIFIC PURPOSE OF MEAL EXPENSES MUST BE GIVEN.**

While meal expenses paid to a restaurant may be related to political purpose, the simple description of "lunch" does not provide sufficient information to justify political purpose. Meal expenses described as being for a campaign meeting, a discussion with a consultant, for a strategy session, for discussions with committee members, or paid to an organization, are allowable.

▪ **USE OF CAMPAIGN FUNDS FOR LEGAL FEES.**

Legal fees that are used to file civil suits for libel are not allowed. However, legal fees in order to stop false campaign information are allowed.